

213091

# FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive  
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January 25, 2005

## VIA FEDERAL EXPRESS

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 700  
Washington, DC 20006

ENTERED  
Office of Proceedings

JAN 26 2005

Part of  
Public Record

JAN 26 2005  
RECEIVED

Re: **Finance Docket No. 34625**  
**R. J. Corman Railroad Property, LLC -- Lease**  
**Exemption -- Line of CSX Transportation, Inc.**

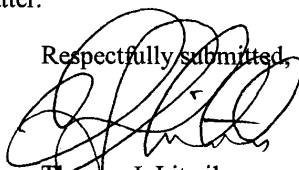
Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of R.J. Corman Railroad Property, LLC Pursuant to 49 C.F.R. § 1150.41**, dated January 25, 2005. A check in the amount of \$1,500, representing the appropriate fee for this filing, and a computer diskette containing the text of the Notice and the *Federal Register* caption summary in MS Word 2000 format are attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,



Thomas J. Litwiler  
Attorney for R.J. Corman Railroad Property, LLC

TJL:tl

Enclosures

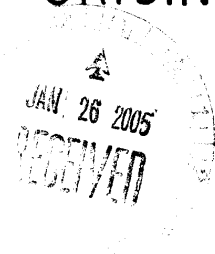
**FILED**  
JAN 26 2005  
SURFACE  
TRANSPORTATION BOARD

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213091

ORIGINAL

BEFORE THE  
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34625

R.J. CORMAN RAILROAD PROPERTY, LLC  
-- LEASE EXEMPTION --  
LINE OF CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION  
OF  
R.J. CORMAN RAILROAD PROPERTY, LLC  
PURSUANT TO 49 C.F.R. § 1150.41

**FILED**  
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SURFACE  
TRANSPORTATION BOARD

Ronald A. Lane  
Thomas J. Litwiler  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

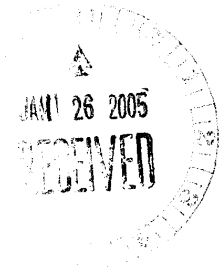
ATTORNEYS FOR R.J. CORMAN  
RAILROAD PROPERTY, LLC

Dated: January 25, 2005

BEFORE THE  
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34625

R.J. CORMAN RAILROAD PROPERTY, LLC  
-- LEASE EXEMPTION --  
LINE OF CSX TRANSPORTATION, INC.



**VERIFIED NOTICE OF EXEMPTION  
OF  
R.J. CORMAN RAILROAD PROPERTY, LLC  
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., R.J. Corman Railroad Property, LLC ("Railroad Property"), a Class III rail carrier, hereby files this Verified Notice of Exemption to acquire by lease a line of railroad of CSX Transportation, Inc. ("CSXT") in Louisville, Kentucky known as the "Water Street Lead" and extending from the southeast edge of the Mellwood Avenue crossing of the Water Street Lead at or near Milepost OTR 4.74 (also known as Milepost OOT 1.8) on CSXT's Louisville Terminal Subdivision to the end of track north of River Road, a total distance of approximately 2.4 miles, along with associated industry leads and switch tracks. CSXT also will grant Railroad Property incidental overhead trackage rights between Louisville and Anchorage, Kentucky (the "Anchorage Trackage Rights") to allow connection with another Railroad Property line. Based on projected revenues for the Water Street Lead, Railroad Property expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

This Notice is related to Finance Docket No. 34624, R.J. Corman Railroad Company/Central Kentucky Lines, LLC -- Lease Exemption -- Line of R.J. Corman Railroad Property, LLC, in which R.J. Corman Railroad Company/Central Kentucky Lines, LLC is filing

a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.41 to sub-lease from Railroad Property and operate the Water Street Lead and the Anchorage Trackage Rights.

In accordance with the requirements of 49 C.F.R. § 1150.43, Railroad Property submits the following information:

**Name and Address of Applicant: 49 C.F.R. § 1150.43(a)**

The full name and address of the rail carrier applicant herein is as follows:

R.J. Corman Railroad Property, LLC  
One Jay Station, P.O. Box 788  
Nicholasville, KY 40356

**Applicant's Representative: 49 C.F.R. § 1150.43(b)**

Railroad Property's representative to whom correspondence regarding this transaction should be sent is as follows:

Ronald A. Lane  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

**Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)**

Railroad Property has reached a tentative agreement with CSXT providing for Railroad Property's lease of the Water Street Lead and acquisition of the Anchorage Trackage Rights, and anticipates a final agreement will be executed on or before February 5, 2005.

**Operator: 49 C.F.R. § 1150.43(d)**

R.J. Corman Railroad Company/Central Kentucky Lines, LLC ("RJCC"), a Railroad Property affiliate, will sub-lease and operate the Water Street Lead and the Anchorage Trackage Rights, pursuant to a separate notice of exemption being filed concurrently herewith in Finance Docket No. 34624.

**Summary of the Transaction: 49 C.F.R. § 1150.43(e)**

Railroad Property<sup>1</sup> is a Class III common carrier by rail that owns approximately 155 route miles of rail line in Kentucky and Ohio. See R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Lines of CSX Transportation, Inc., Finance Docket No. 34386 (STB served September 12, 2003); R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Line of Lexington & Ohio Railroad Co., Inc., Finance Docket No. 34325 (STB served April 14, 2003); R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Line of CSX Transportation, Inc., Finance Docket No. 34226 (STB served August 6, 2002); R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Line of CSX Transportation, Inc., Finance Docket No. 34165 (STB served February 15, 2002). Railroad Property is a member of the R.J. Corman family of railroads, which includes eight other Class III rail carriers in the eastern United States. See Richard J. Corman -- Continuance in Control Exemption -- R.J. Corman Equipment Company, LLC, Finance Docket No. 34167 (STB served February 15, 2002). Railroad Property does not perform any rail operations; all the rail lines owned by Railroad Property are leased to and operated by other Corman rail carrier affiliates.

Pursuant to an agreement to be entered into between Railroad Property and CSXT, Railroad Property will lease CSXT's line of railroad in Louisville, Kentucky, known as the "Water Street Lead," extending from the southeast edge of the Mellwood Avenue crossing of the Water Street Lead at or near Milepost OTR 4.74 (also known as Milepost OOT 1.8) on CSXT's Louisville Terminal Subdivision to the end of track north of River Road. The total

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<sup>1</sup> Railroad Property was formerly known as R.J. Corman Equipment Company, LLC. The name of that entity was formally changed to R.J. Corman Railroad Property, LLC, and its non-rail assets were transferred to a new non-carrier entity named R.J. Corman Equipment Company. As a result, the new "Equipment Company" does not own any railroad assets, and Railroad Property holds the railroad assets and bears the residual common carrier obligations of the "old" R.J. Corman Equipment Company, LLC.

distance of the Water Street Lead and associated industry leads and switch and wye tracks to be leased by Railroad Property is approximately 2.4 miles.

Railroad Property will lease the right-of-way and track of the Water Street Lead from CSXT for 20 years. Pursuant to exemption in Finance Docket No. 34624, Railroad Property will sub-lease the Water Street Lead to its corporate affiliate, RJCC, which will operate, maintain and provide all common carrier service on the line.

CSXT also will grant Railroad Property incidental overhead trackage rights over CSXT's LCL Subdivision between the end of the Water Street Lead at Mellwood Avenue and Milepost 12.49 at HK Tower in Anchorage, Kentucky, a distance of approximately 10.75 miles. The incidental trackage rights will allow movements between the Water Street Lead and the former CSXT "Old Road" at HK Tower, now owned by Railroad Property and operated by RJCC. See R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Lines of CSX Transportation, Inc., Finance Docket No. 34386 (STB served September 12, 2003); R.J. Corman Railroad Company/Central Kentucky Lines -- Lease and Operation Exemption -- Lines of R.J. Corman Equipment Company, LLC, Finance Docket No. 34387 (STB served September 12, 2003).<sup>2</sup>

The complete name and address of the carrier transferring the Water Street Lead to Railroad Property is as follows:

CSX Transportation, Inc.  
500 Water Street  
Jacksonville, Florida 32202

Railroad Property intends to consummate its lease of the Water Street Lead on February 5, 2005, and RJCC will commence operations on February 7, 2005.

<sup>2</sup> CSXT will also grant Railroad Property operating rights between the Water Street Lead and CSXT's Osborne Yard in Louisville for purposes of effectuating interchange.

**Map: 49 C.F.R. § 1150.43(f)**

A map showing the Water Street Lead and the surrounding area is attached as Exhibit A to this notice.

**Certificate of Compliance: 49 C.F.R. § 1150.43(g)**

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this notice.

**Advance Notice: 49 C.F.R. § 1150.42(e)**

The 60-day notice of this transaction required by 49 C.F.R. § 1150.42(e) was posted at the workplace of current employees on the Water Street Lead on or before December 3, 2004, and Railroad Property served a copy of the notice on the national offices of the labor unions with current employees on the Water Street Lead on December 6, 2004. A Certificate of Compliance with these requirements is attached as Exhibit B to this notice. A copy of the 60-day notice as filed with the Board on December 7, 2004 is attached as Exhibit C to this notice.

**Environmental and Historic Preservation Data: 49 C.F.R. § 1105**

Under 49 C.F.R. § 1105.6(c)(2), Railroad Property's proposed lease of the Water Street Lead is exempt from environmental reporting requirements. The proposed lease will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), Railroad Property's proposed lease of the Water Street Lead also is exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board

approval is required to discontinue or abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

**Caption Summary: 49 C.F.R. § 1150.44**

A caption summary in appropriate form is attached as Exhibit D to this notice.

Respectfully submitted,

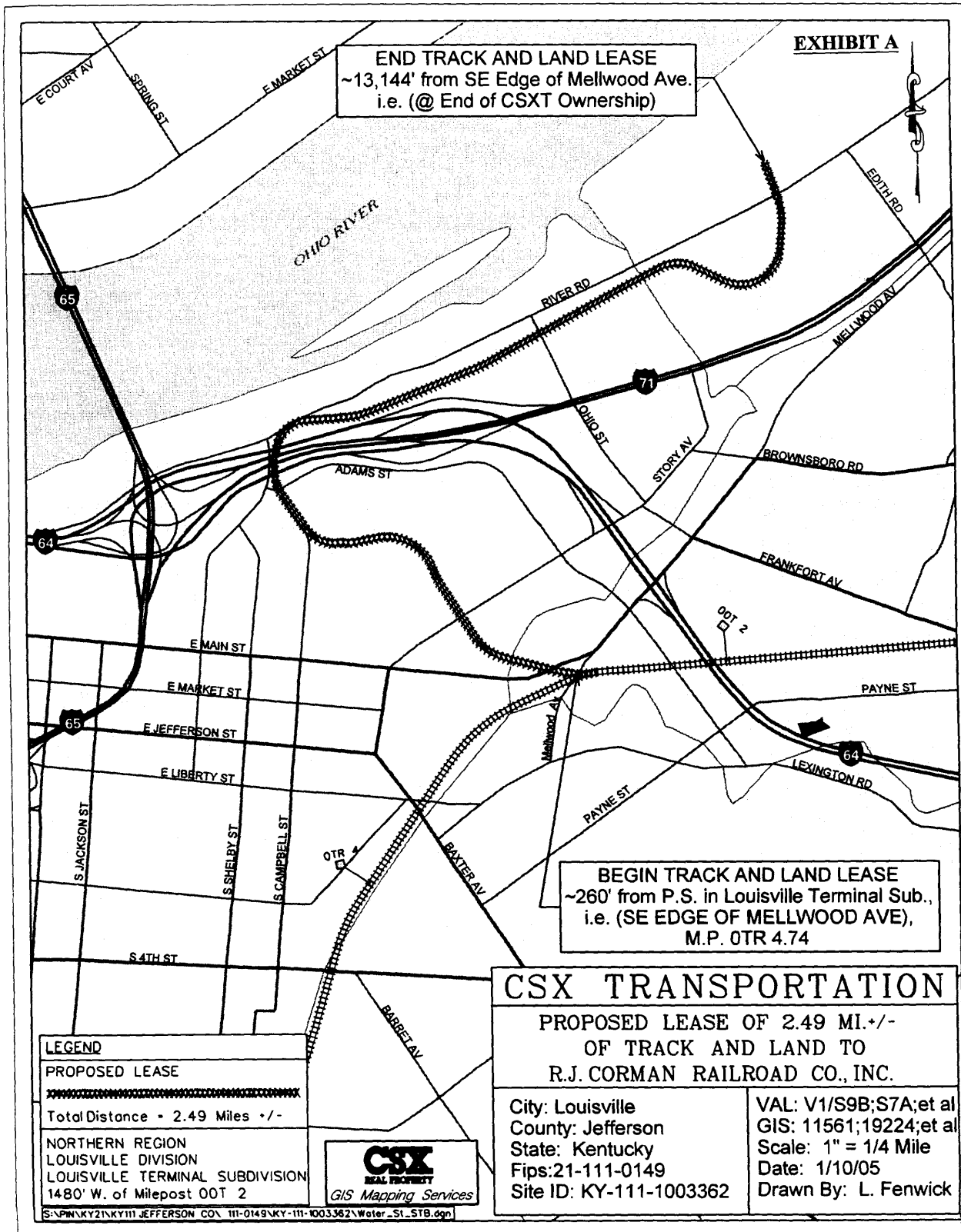
By: 

Ronald A. Lane  
Thomas J. Litwiler  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

**ATTORNEYS FOR R.J. CORMAN  
RAILROAD PROPERTY, LLC**

Dated: January 25, 2005





## **CERTIFICATION**

Commonwealth of Kentucky                 )  
County of Jessamine                         )      ss:


Richard J. Corman, being duly sworn, hereby certifies that:

1. The projected annual rail revenue of R.J. Corman Railroad Property, LLC does not exceed that which would make it a Class II or Class I carrier under the provisions of 49 C.F.R. § 1201 (1-1).

2. R.J. Corman Railroad Property, LLC has posted and served notice of the transaction proposed herein to employees and unions on the affected line in conformance with 49 C.F.R. § 1150.42(e).

  
Richard J. Corman  
Managing Member

SUBSCRIBED AND SWORN TO  
before me this 24 day  
of January, 2005.

  
Notary Public

My Commission expires: 9/29/2005

**FLETCHER & SIPPEL LLC**

ATTORNEYS AT LAW

29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2875

RONALD A. LANE  
(312) 252-1503  
rlane@fletcher-sippel.com

December 6, 2004

Phone: (312) 252-1500  
Fax: (312) 252-2400  
www.fletcher-sippel.com

**VIA FEDERAL EXPRESS**

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 700  
Washington, DC 20006

ENTERED  
Office of Proceedings  
DEC 7 2004  
Part of  
Public Record



Re: Finance Docket No. 34625 > 212715  
R. J. Corman Equipment Company, LLC – Lease  
Exemption – Line of CSX Transportation, Inc.

Finance Docket No. 34624 > 212706  
R. J. Corman Railroad Company/Central Kentucky Lines –  
Lease Exemption – Line of R.J. Corman Equipment Company, LLC

Dear Secretary Williams:

Pursuant to 49 C.F.R. § 1150.42(e), R.J. Corman Equipment Company, LLC ("RJCE") and R.J. Corman Railroad Company/Central Kentucky Lines ("RJCK") hereby certify that on or before December 3, 2004, the attached Notice was posted at the workplace of the employees on the rail lines that RJCE proposes to lease and RJCK proposes to sub-lease in the above-captioned proceedings, and that on December 6, 2004 a copy of the Notice was served on the national offices of the labor unions with employees on those rail lines.

Ten copies of this letter, with attachment, are enclosed for filing at the Board. One extra copy also is enclosed, and I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope. Thank you for your assistance on this matter.

Respectfully submitted,

Ronald A. Lane  
Attorney for R.J. Corman Equipment Company, LLC  
and R.J. Corman Railroad Company/  
Central Kentucky Lines

RAL

Attachment



December 1, 2004

**R.J. CORMAN RAILROAD/CENTRAL KENTUCKY LINES**  
One Jay Station, P. O. Box 788  
Nicholasville, KY 40356

**NOTICE TO CSXT EMPLOYEES**

Pursuant to Surface Transportation Board regulations at 49 C.F.R. §§ 1150.42(e), R.J. Corman Railroad/ Central Kentucky Lines, LLC and R.J. Corman Equipment Company, LLC, (collectively, "R.J. Corman Railroad Company/Central Kentucky Lines") hereby provide notice to the employees of CSX Transportation Co. that R.J. Corman Railroad/Central Kentucky Lines intends to lease and operate approximately 2.4 miles of CSXT's spur track in Louisville, Kentucky commonly referred to as "the Water Street Lead," effective January 14, 2004. Included in the acquisition will be incidental overhead trackage rights between the Water Street Lead and HK Tower to connect to R.J. Corman Railroad Company/Central Kentucky Lines operation at Anchorage.

R.J. Corman Railroad/Central Kentucky Lines does not expect to hire any additional employees as a result of this lease. However, if R.J. Corman Railroad Company/Central Kentucky Lines were to hire, it would provide the same wages and benefits currently provided to its employees. R.J. Corman Railroad/Central Kentucky Lines would select employees on the basis of skills and aptitudes required for each position. The most qualified candidates would be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status or disability. Successful candidates would be required to have a stable work record and demonstrate a commitment to safety and customer service. The ability to work in a team environment would be critical. Successful applicants would be required to pass a pre-employment drug and alcohol screen and complete a medical questionnaire, and might be required to take a physical exam.

Any CSXT employees interested in seeking employment with R.J. Corman Railroad/Central Kentucky Lines should contact Mr. W.V. Phillips at (606) 885-9457 ext. 274.

**EXHIBIT D**

**SURFACE TRANSPORTATION BOARD**

**NOTICE OF EXEMPTION**

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**FINANCE DOCKET NO. 34625**

**R.J. CORMAN RAILROAD PROPERTY, LLC  
-- LEASE EXEMPTION --  
LINE OF CSX TRANSPORTATION, INC.**

---

R.J. Corman Railroad Property, LLC ("Railroad Property"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease from CSX Transportation, Inc. ("CSXT") a line of railroad in Louisville, Kentucky, along with associated industry leads and switch tracks (the "Water Street Lead") extending from the southeast edge of the Mellwood Avenue crossing of the Water Street Lead at or near Milepost OTR 4.74 (also known as Milepost OOT 1.8) on CSXT's Louisville Terminal Subdivision to the end of track north of River Road, a total distance of approximately 2.4 miles. Railroad Property will also acquire incidental overhead trackage rights on CSXT's LCL Subdivision between the Water Street Lead and Milepost 12.49 at HK Tower in Anchorage, Kentucky, a distance of approximately 10.75 miles (the "Anchorage Trackage Rights").

This Notice of Exemption is related to Finance Docket No. 34624, R.J. Corman Railroad Company/Central Kentucky Lines, LLC -- Lease Exemption -- Lines of R.J. Corman Railroad Property, LLC, in which R.J. Corman Railroad Company/Central Kentucky Lines, LLC is filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.41 to sub-lease from Railroad Property and operate the Water Street Lead and the Anchorage Trackage Rights.

Railroad Property expects to consummate its lease of the Water Street Lead and its acquisition of the Anchorage Trackage Rights on February 5, 2005.

Comments must be filed with the Board and served on:

Ronald A. Lane  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.41. If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated: January \_\_, 2005

By the Board

Vernon A. Williams  
Secretary

**VERIFICATION**

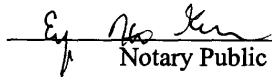
State of Illinois       )  
                                  ) ss:  
County of Cook        )

Ronald A. Lane, being duly sworn, deposes and says that he is Attorney for R.J. Corman Railroad Property, LLC, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Ronald A. Lane

SUBSCRIBED AND SWORN TO  
before me this 2<sup>nd</sup> day  
of January, 2005

  
Notary Public

My Commission expires:

OFFICIAL SEAL  
EVELYN HINES KHAN  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES 10/3/06